

PREAMBLE

This agreement (hereinafter referred to as the “Agreement”) has been made and entered into by and between the State of Illinois, Departments of Central Management Services and Human Services (hereinafter referred to as the “State”) and the Service Employees International Union, Local 880, (hereinafter referred to as the “Union”). The Union and the State recognize the unique employment arrangement of day care home licensed and license exempt providers (hereinafter referred to as “Providers”) and Parents or Legal Guardians (hereinafter referred to as “Parents”) receiving services in the Department of Human Services, Bureau of Child Care and Development, Child Care Assistance Program (hereinafter referred to as the “Child Care Assistance Program”), nor will this Agreement in any way diminish the Parents’ control over the selection and termination of Providers within the limits set by the Child Care Assistance Program. Providers are not State employees for purposes of eligibility to receive statutorily mandated benefits, including but not limited to, workers’ compensation, retirement and health insurance.

The parties enter into this agreement acknowledging the following:

- The Union and the State share a common mission to ensure that every Illinois family has access to quality child care.
- Access to quality child care is essential for families transitioning from welfare to work as well as for those low and moderate income families striving to achieve and maintain self-sufficiency.
- Providers, the State and Illinois families have a shared interest in making child care a quality job and a respected profession.
- The parties agree to work together as partners to serve the needs of working families and to meet the highest standards in such service.

DEFINITION OF TERMS

The following terms shall be interpreted as indicated below when used in this Agreement:

- a) “State” refers to the Director of Central Management Services, Secretary of the Department of Human Services, or their representatives collectively or singly, as the context may require.
- b) “Parent” refers to any applicant that has been determined eligible for services through the Child Care Assistance Program pursuant to 89 Ill. Admin. Code, Section 50.210 and 89 Ill. Admin. Code, Section 50.230; is receiving services through the Child Care Assistance Program; or has received services through the Child Care Assistance Program.
- c) “Provider” refers to an individual selected by a parent to provide child care services and operates as a day care home within the applicable standards of state or local law, including but not limited to licensure requirements for Group Day Care Homes and Day Care Homes promulgated by the Department of Children and Family Services at 89 Ill. Admin. Code, Chapter III, Subchapter (e); and within the legal care arrangement definitions set forth by the Department of Human Services at 89 Ill. Admin. Code, Section 50.240 (a) 3-8, (b), (c), and (d).
- d) “Child Care Assistance Program” refers to the Department of Human Services, Bureau of Child Care and Development, Child Care Assistance Program defined under 305 ILCS 5/9A-11.
- e) “Union” refers to Service Employees International Union, Local 880.

ARTICLE I – UNION RECOGNITION

Section 1. Union Recognition

Pursuant to the provisions of Executive Order 2005-1 and Public Act 94-0320, the Union was recognized on July 15, 2005, as the exclusive representative of Providers providing services for the State as part of the child care assistance program administered by the Department of Human Services under 305 ILCS 5/9A-11 and 89 Ill. Admin. Code, Section 50.210 et seq. The State shall be considered the party of record solely for the purposes of collective bargaining over issues within its control.

Section 2. Integrity of the Bargaining Unit

The State recognizes the integrity of the bargaining unit and will not take any action intended to erode it. No action taken by the Parent shall be considered erosion of the bargaining unit.

ARTICLE II – NON-DISCRIMINATION

The State agrees not to discriminate against any Provider on the basis of race, sex, sexual orientation, creed, religion, color, marital or parental status, age, national origin, political affiliation and/or beliefs, disability, or for other non-merit factors. Nothing in this Article shall limit the rights of Parents as provided for in Article VI.

ARTICLE III – DIGNITY AND RESPECT

The State, the Union, and Providers will treat each other with dignity and respect.

ARTICLE IV – UNION RIGHTS

Section 1. Union Exclusivity

The State shall not meet, discuss, confer, subsidize or negotiate with any other employee organization or its representatives on matters pertaining to all terms and conditions of employment of Providers participating in the Child Care Assistance Program that are within the State's control. Nor shall the State negotiate with Providers over terms and conditions of employment within the State's control.

Section 2. Union Activity

The State agrees that no Provider shall be discriminated against, intimidated, restrained or coerced in or on account of the exercise of any rights granted by the Illinois Public Labor Relations Act or by this Agreement, on account of membership or non-membership in, or lawful activities on behalf of the Union.

Section 3. Union Representatives

The Union shall notify the State of the names of its official representatives and changes in such representatives. The list and updates shall be sent to the Department of Central Management Services, Office of Labor Relations. The Union shall notify the Department of Human Services, Bureau of Labor Relations of the names of stewards selected by the Union at the beginning of the fiscal year.

Section 4. Neutrality

The State shall remain neutral on the question of union membership and union representation for Providers. All questions addressed to the State concerning membership in or representation by the Union will be referred to the Union.

Section 5. Lists

The State will provide lists of Providers (as specified below) electronically on a monthly basis (by the fifteenth (15th) calendar day of each month, unless the fifteenth is a holiday or weekend) to the Union:

a) A list indicating all Providers who were paid a subsidy or subsidies in the previous calendar month as a product of their participation in the Child Care Assistance Program. This list will indicate whether or not the Provider is a member of the Union and the amount of Union dues, initiation fees, or Fair Share fees that were deducted from the Provider's payments. For each payment a Provider received, the State will indicate the month in which the Child Care service was provided. This list will include the following information, to the extent available, for each Provider: name, Social Security or FEIN number, birth date, address, zip code, county, telephone number, type of care

code, number of days billed, number of children billed, amount of payment, and amount of parent co-payment assessed.

b) In addition, the State will provide a list indicating the Providers who had approved active cases for Child Care services for the previous calendar month. This list will include the following information, to the extent available, for each Provider: name, Social Security or FEIN number, birth date, address, zip code, county, telephone number, type of care code, and number of children authorized for care.

c) Lastly, the State will provide a list indicating all Providers who received payment for providing Child Care services during the last service month for which billing is complete, generally three months (3) prior to the date of the report. This list will include the following information, to the extent available, for each Provider: name, Social Security or FEIN number, birth date, address, zip code, county, telephone number, type of care code, number of days billed, number or children billed for, amount of payment, and amount of parent co-payment assessed.

Section 6. Union Orientation

The State shall notify the Union and shall grant access, not to exceed thirty (30) minutes, to “Provider Certificate Training” and other trainings that are required of Child Care Resource and Referral Agencies by the State in connection with the Child Care Assistance Program for the purpose of addressing represented Providers. The presentation topics shall be limited to the following: the organization, Provider’s representation status, union benefits and to distribute membership applications.

Section 7. Bulletin Boards

The Union shall be allowed to provide and maintain a reasonably sized bulletin board at Department of Human Services, Bureau of Child Care and Development Offices at 401 S. Clinton, Chicago and 400 W. Lawrence, Springfield and upon written request by the Union at each Child Care Resource and Referral Agency, unless prohibited by the Child Care Resource and Referral Agency’s lease. Items posted shall not be political, partisan or defamatory in nature.

Section 8. Notices

The State will provide to the Union a copy of any notice provided by the State to all Providers.

Section 9. Provision of Union Information to New Providers

When an individual initially becomes eligible to provide Child Care services through the Child Care Assistance Program, the State shall transmit to said individual, along with their first certificate, a letter drafted solely by the Union concerning union representation and union membership. The letter shall not be political, partisan or defamatory in nature.

Section 10. Fair Share

Effective upon the same date as the rate increase set forth in Article VII, all Providers who are not members of the Union shall be required to pay their proportionate share of the costs of the collective bargaining process, contract administration and pursuing matters affecting rates, hours and other conditions of employment, but not to exceed the amount of dues uniformly required of members. The Union shall certify the Providers' monthly proportionate share to the State and the State shall deduct said amount from the payments of the Providers and remit it to the Union. The Union shall indemnify, defend, and hold the State harmless against any claim, demand, suit, or liability arising from any action taken by the State in complying with this Section of this Article.

ARTICLE V – MANAGEMENT RIGHTS

Section 1. Rights Residing with the State

The State reserves exclusively all the inherent rights and authority to manage and operate its programs. The parties agree that all rights not specifically granted in this Agreement are reserved solely to the State and the State has the right to decide and implement its decisions regarding such rights without negotiating about the decision and/or effects of those decisions. Examples of the rights reserved solely to the State, its agents and officials include, but are not limited to, the right: to operate so as to carry out the statutory mandate of the State; to establish the State's missions, programs, objectives, activities and priorities; to plan, direct and control the use of resources, including all aspects of the budget, in order to achieve the State's missions, programs, objectives, activities and priorities; to manage, direct, and control all of the State's activities to deliver programs and services; to develop, modify and administer policies, procedures, rules and regulations and determine the methods and means by which operations are to be carried out; to determine eligibility and requirements of providers; to make, extend, limit and execute contracts and all other instruments necessary or convenient for the performance of the State's duties or exercise of the State's powers, including contracts with public and private agencies, organizations, corporations or individuals; to determine the State's organization; to take whatever actions the State deems necessary to carry out services when the State determines an emergency; to maintain or modify any and all public operations and work requirements entrusted to the State to more efficiently and effectively provide services.

Section 2. Non-Waiver

The above enumerations of the State's rights are not inclusive and do not exclude other rights not specified including those duties, obligations or authority provided under law. The exercise or non-exercise of rights retained by the State shall not be construed to mean that any right of the State is waived.

ARTICLE VI – PARENT RIGHTS

Section 1. Parent Rights

Nothing in this Agreement limits the parents' sole and undisputed right to select and to terminate without cause and without notice the services of any Provider. Parents shall retain the right to direct services rendered by the Provider and determine what circumstances anyone may enter their homes.

Section 2. Information Regarding Parents

Union Representatives and Providers shall maintain strict standards of confidentiality regarding Parents and Children and shall not disclose personal information pertaining to Parents and Children obtained from any source unless the disclosure is compelled by the legal process or otherwise required by law.

Section 3. Union Access

Union Representatives shall not conduct Union business, including business related to the enforcement of this Agreement, or contact in person or via telephone Providers at the home of the Parent or Child, if the home is not the Provider's address of record.

Section 4. Non-Waiver

The above enumerations of the Parent's rights are not inclusive and do not exclude other rights not specified including those duties, obligations or authority provided under law. The exercise or non-exercise of rights retained by the Parent shall not be construed to mean that any right of the Parent is waived. No action taken by the Parent with respect to this Article shall be subject to the grievance procedure.

Section 5. Disputes between Providers and Parents

The State, in consultation with the Union and Parents, will explore the feasibility of developing a voluntary process to attempt to mediate or resolve disputes that may arise between Providers and Parents.

ARTICLE VII – RATE STRUCTURE

Section 1. Rates

Licensed Homes Group 1A	Effective 4/1/06	Effective 7/1/07	Effective 1/1/08	Effective 7/1/08
Under Age 2	\$23.40	\$25.00	\$25.83	\$26.60
Age 2	\$23.05	\$24.00	\$24.86	\$25.60
Age 3 and Over	\$22.10	\$22.65	\$23.30	\$24.00

Licensed Homes Group 1B	Effective 4/1/06	Effective 7/1/07	Effective 1/1/08	Effective 7/1/08
Under Age 2	\$21.00	\$21.70	\$22.92	\$23.60
Age 2	\$20.70	\$21.30	\$21.94	\$22.60
Age 3 and Over	\$17.80	\$18.40	\$20.97	\$21.60

Licensed Homes Group 2	Effective 4/1/06	Effective 7/1/07	Effective 1/1/08	Effective 7/1/08
Under Age 2	\$18.50	\$19.00	\$20.97	\$21.60
Age 2	\$18.15	\$18.30	\$20.00	\$20.60
Age 3 and Over	\$14.15	\$15.95	\$19.03	\$19.60

Licensed Exempt Homes	Effective 4/1/06	Effective 7/1/07	Effective 1/1/08	Effective 7/1/08
Homes	\$10.48	\$11.29	\$12.37	\$12.75

Section 2. Quality Incentives

Effective July 1, 2007, the State, as determined by its programmatic needs, shall implement tiered reimbursement based on the draft report, dated November 2004, “IDHS Child Care Program Tiered Reimbursement System: Recommendations of the Child Care and Development Advisory Council Work Group.” Effective July 1, 2007 through June 30, 2008, the amount for the tiered reimbursement program shall not exceed \$3,000,000. Effective July 1, 2008 through June 30, 2009, the amount for the tiered reimbursement program shall not exceed \$7,000,000. The State will establish qualifications for participation in the tiered reimbursement program, and implement and schedule component programs, based on programmatic needs.

The Union may, pursuant to Article XI – Labor/Management Committee Meetings, request a meeting to discuss matters set forth in this Section.

ARTICLE VIII – PAYMENT

Section 1. Timely Payment and Provision of Certificates

- A. The State shall complete and forward all paperwork necessary for provider payments in a timely manner.
- B. Certificates shall be issued in a timely manner.
- C. Providers will be paid in accordance with the policies set forth under the Child Care Assistance Program.

Section 2. Accurate Payment

Providers shall receive accurate payment for services authorized and rendered. Disputes regarding payments and overpayments shall be grievable. Overpayment grievances shall be filed directly at the second step of the grievance procedure.

Section 3. Deductions

a. Upon receipt by the State, as pay agent and in conformance with applicable State and Federal laws and regulations, of written authorization from the Provider, union dues and initiation fees shall be deducted from the Provider's payments and remitted to Union. The Union shall advise the State of any increases in dues or other approved deductions in writing at least forty-five (45) days prior to its effective date. The State shall continue to make such deductions, except where the authorization is revoked by the Provider. When a Provider has authorized deductions for Union membership, the warrant stub will state "Union Dues" and the amount of the deduction. If the Provider has not authorized payroll deductions for Union membership, the warrant stub will state "non mbr fees" and the amount of the deduction

b. Upon receipt by the State of written authorization (supplied by the Union) from the Providers, contributions to SEIU PowerPAC / SEIU COPE, or other SEIU-designated entities in an amount specified by the Provider on the authorization card shall be deducted by the State, as pay agent, from payments made to the Provider and remitted to the designated entity. The State, as pay agent, shall continue to make such deductions, except where the authorization is revoked by the Provider.

ARTICLE IX – HEALTH INSURANCE

Section 1. Intent

The Union intends to provide access to comprehensive health insurance coverage to eligible Providers and the State intends to pay for such health coverage to the extent provided in this Article.

Section 2. Contribution and Administration

a. Effective July 1, 2007 through June 30, 2008, the State shall contribute a total of seven million dollars (\$7,000,000.00) in twelve (12) approximately equal monthly installments into a Health Benefit Fund (the “Fund”) selected or established by the Union. Effective July 1, 2008 through June 30, 2009, the State shall contribute a total of twenty million dollars (\$20,000,000.00) in twelve (12) approximately equal monthly installments to the Fund. These contributions shall be utilized for both providing benefits and administration of the Fund.

b. The Union has the unilateral and exclusive right and any attached responsibility to retain any insurance underwriter(s) of its choice, to self-insure, or to self-fund any benefit plan, to determine an insurance carrier to provide any potential benefits to individuals covered by this Agreement, or to participate in any new or established benefit plan. Other than provided herein, the Union shall be solely responsible for payment and administration of such plan.

Section 3. Disclaimers

a. The terms and conditions of the Fund, including coverage and eligibility, are under the sole control of the Union. The State will not be party to any disputes over benefit levels or claims for benefits made by participants in the Fund. Such disputes will be resolved solely by the Union, or the Fund Trustees, as appropriate.

b. This Article shall not be subject to the grievance or arbitration procedures provided for in this contract.

c. The State’s sole obligation under this Article shall be the payment of the amounts set forth in Section 2 above. The failure of any carrier to provide benefits under any insurance program shall not result in any liability to the State. Further, the State shall have no diminished liability or additional liability for its failure to make any payments to Fund due to changes in Federal and/or State law.

ARTICLE X – GRIEVANCE PROCEDURE

Section 1. Definition

- A. A grievance shall mean a dispute regarding the meaning or implementation of the provisions of this Agreement brought by the Union or a Provider. Neither the Union nor the Provider can grieve issues outside the scope of this Agreement, including but not limited to selection or termination of Provider services by Parents, and/or any action taken by the Parent.
- B. Grievances may be processed by the Union on behalf of itself, a Provider, or a group of Providers. The Provider is entitled to Union representation at each and every step of the grievance procedure and the Union shall have the right to have the grievant or grievants present at any step of the grievance procedure, if a meeting is held, and at arbitration. The resolution of a grievance filed on behalf of a group of Providers shall be made applicable to the appropriate Providers within that group.
- C. Both the Union and the State will work to resolve problems as quickly as possible and at the lowest possible step of the grievance procedure.

Section 2. Grievance Procedure

Participation in the grievance procedure in any capacity shall be done solely on the Provider's own time. Grievances must be filed with and received by the State within twenty-one (21) calendar days from the date the Union or Provider knew or should have known of the action or inaction that gave rise to the grievance.

Step 1: Bureau Chief of Child Care and Development

The grievance shall be reduced to writing and submitted to the to the Bureau Chief of Child Care and Development or his/her designee. The Bureau Chief or his/her designee shall have fifteen (15) calendar days from receipt of the grievance to respond.

Step 2: Department of Human Services, Bureau of Labor Relations.

If the grievance is not resolved at Step 1, the Union may submit the grievance within seven (7) calendar days of the Step 1 response, or date such response was due, to the DHS Bureau Chief of Labor Relations. The Bureau Chief or his/her designee shall have twenty-one (21) calendar days to respond to the grievance.

Step 3A: Department of Central Management Services, Division of Employee and Labor Relations

If the grievance is not resolved at Step 2, the Union may submit the grievance within seven (7) calendar days of the Step 2 response, or date such response was due, to the CMS Division of Employee and Labor Relations. CMS shall have twenty-one (21) calendar days to respond to the grievance. In the event the parties are unable to reach a

resolution, the Union may request in writing within thirty (30) calendar days of the Step 3A response, or date such response was due that the grievance be submitted to an independent arbitrator.

Step 3B: Arbitration

The parties will mutually agree to choose from a mutually agreed panel of arbitrators. It shall be the duty of the arbitrator to hear and consider evidence submitted by the parties and to thereafter make written findings of fact. The decision and award of the arbitrator shall be final and binding on all parties. The arbitrator shall have no authority to ignore, add, subtract or modify any of the terms and conditions of this Agreement. The arbitrator shall limit his/her decision solely to the application and interpretation of the relevant provisions of this Agreement. Questions of arbitrability shall be decided by the arbitrator prior to the arbitrator addressing the merits of the grievance. The expenses and fees of the arbitrator shall be paid the losing party. In cases of split decisions the arbitrator shall determine what portion each party shall be billed for expenses and fees. The cost of the hearing rooms, if any, shall be split by the parties. The cost of verbatim records, if any, shall be paid by the requesting party. Each party shall bear the expenses of its own witnesses.

Section 3. Payment and Overpayment

Disputes regarding payments and overpayments shall be grievable. Overpayment grievances shall be filed directly at the second step.

ARTICLE XI – LABOR/MANAGEMENT COMMITTEE MEETINGS

For the purpose of maintaining communications between labor and management in order to cooperatively discuss matters of mutual concern, the agency head and/or his/her designee shall meet, as may be reasonably necessary, but no less than semi-annually, with representatives of the Union. The parties shall exchange agendas one (1) week prior to the scheduled meeting.

ARTICLE XII – GENERAL PROVISIONS

Section 1. Income Verification

Upon the request of a Provider or any third party with the written authorization of the Provider, the State shall provide written verification of past payments to the Provider and the Providers participation in the Child Care Assistance Program.

Section 2. No Strike/No Lockout

During the term of this Agreement, the Union, its members and representatives shall not engage in, authorize, or sanction or support any strike, slowdown or other stoppage of work; nor shall the State during the term of this Agreement engage in any lockout.

Section 3. Provider Files

A Provider and/or the Union shall have access to all documents concerning the Provider in the possession or control of the State, unless prohibited by law.

Section 4. Notification of Address

Providers shall notify the Child Care Assistance Program of any changes to their address of record.

Section 5. Provider Notification

The State will directly notify Providers, as soon as possible, in writing of any development or change affecting payment for children in their care. The State shall provide reasonable advance notice to the Union of any policy change that impacts Providers.

Section 6. Printing of the Agreement

No later than March 1, 2006, the State shall provide the Union with 60,000 copies of the Agreement for distribution to Providers. The State shall have the Agreement available on the State of Illinois' website.

Section 7. Providers' Rights

The State recognizes the rights of Providers to select the children to be placed in their care, to terminate the relationship with Parents, and to enter into private agreements with Parents that do not contradict the policies of the Child Care Assistance Program.

Section 8. Child Care Resource and Referral Agencies

The State shall require Child Care Resource and Referral Agencies, while providing services on behalf of the Child Care Assistance Program, to comply with the terms set forth in Article IV – Union Rights and this Article XII – General Provisions.

ARTICLE XIII – TERM OF THE AGREEMENT

Section 1. Entire Agreement

This Agreement constitutes the complete and entire agreement between the parties, and concludes collective bargaining between the parties for its terms. The State and Union, for the duration of this Agreement, each waives the right and each agrees that the other shall not be obligated to bargain with respect to any subject matter referred to or covered in this Agreement. The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understands and agreement arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

Section 2. Severability

Should any part of this Agreement or any provisions contained herein be judicially determined to be contrary to law, such invalidation of such part or provision shall not invalidate the remaining portions hereof and they shall remain in full force and effect. In such event, upon the request of either party, the parties shall meet promptly and negotiate with respect to substitute provisions for those provisions rendered or declared unlawful, invalid or unenforceable.

Section 3. Term of the Agreement

This Agreement shall be effective April 1, 2006 and shall remain in full force and effect until June 30, 2009. Thereafter, it shall automatically renew itself from year to year unless at least one hundred and twenty (120) days notice prior to termination, in writing, either party desires to amend, add to, subtract from, or terminate this Agreement.